GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Chit Fund Act, 1982 – Appeal Petition filed by Sri Gottapu Srinivasa Rao and (4) others, Visakhapatnam against the award passed in A.C.P. No. 88/2015 dated 19.12.2018 by the Deputy Registrar of Chits, Vizianagaram – Orders – Issued.

REVENUE (REGN.II) DEPARTMENT

G.O.RT.No. 338 **Dated: 11-03-2020**
Read the following:-

1. Appeal Petition filed by Gottapu Srinivasa Rao and (4) Others, Visakhapatnam, dated 10.10.2019.
2. Govt. Letter No.REGSOACTS (CHITS)/33/2019, dated:31.10.2019, 19.11.2019, 05.12.2019, 03.01.2020, 31.01.2020, 06.02.2020 & 27.02.2020.
3. Letter filed by Sri G.Srinivasa Rao, Visakhapatnam dated 11.03.2020.

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ORDER:-

Sri Gottapu Srinivasa Rao and (4) Others, Visakhapatnam have filed an Appeal Petition under Section 70 of the Chit Fund Act, 1982 against the award in A.C.P. No.88/2015, dated 19.12.2018 passed by the Deputy Registrar of Chits, Vizianagaram.

2. Brief facts of the case is as follows:-

(i) Sri Gottapu Srinivasa Rao, Visakhapatnam herein has joined the Chit Fund Company as a subscriber in a Chit Group No.YXZL-01 for a value of Rs.10,00,000/- which is payable at the rate of Rs.20,000/- per month for a period of 50 months and the appellant herein has participated in the chit auction held on 27.08.2013 and became successful bidder having agreed to forego an amount of Rs.4,00,000/- out of chit value of Rs.10,00,000/- and after declaring as successful bidder, the appellant submitted 2 to 5 as guarantors, who executed an agreement of guarantee and also executed demand promissory note and other necessary documents in favour of Respondent No.1 (Chit Fund Company) and the company has paid the prize amount to Sri Gottapu Srinivasa Rao, Visakhapatnam. The appellant paid only 20 installments in full and part of 21st instalment and thereafter committed default in paying the 21st installment i.e., from 01.10.2014 onwards. The 1st respondent herein has filed a dispute application before the Deputy Registrar of Chits, Vizianagaram and the same was numbered as A.C.P. No. 88/2015. The Deputy Registrar of Chits, Vizianagaram sent notices to 1-5 respondents herein to appear before the Arbitrator/Dy. Registrar of Chits. The Deputy Registrar of Chits, Vizianagaram has passed award in A.C.P. No.88/2015 dated 19.12.2018 in favour of the Respondent herein ordering that the company is entitled to recover a sum of Rs.6,48,993/- jointly and severally from opponents together with interest at the rate of 12% per annum on the principal amount of Rs.5,92,880/- from the date of filing of the dispute i.e., 10.08.2015 to till the date of realization and also Rs.10,200/- towards costs of the dispute.

(ii) Aggrieved by the above said award, the appellant filed the present appeal.

3. The case is posted for hearing on 11.03.2020 at 11.00 a.m. The Counsel for the Appellant and the Counsel for Respondent (Chit Fund Company) attended. Heard both the parties.

4. The appellant has filed a letter and requested to permit him to pay the principal amount only excluding the interest and costs of the dispute, considering his financial conditions. He also requested to grant time for 5 months to pay the principal amount in the above Chit.

[P.T.O.]

5. Government after careful examination of the material available on record, allowed the appeal partly and the order passed by the Deputy Registrar of Chits, Vizianagaram is hereby modified. The appellant herein who is the Opponent No.1 and his guarantors who are the other opponents in A.C.P. No.88/2015 on the file of Deputy Registrar of Chits, Vizianagaram are hereby directed to pay the principal amount of Rs.5,92,880/- along with costs of the dispute Rs.10,200/- (after waiving of interest of Rs.56,113/-) within 3 months i.e., by 11.06.2020. In default, the Respondent No.2 (Chit Fund Company) who is the disputant in A.C.P. No. 88/2015 is at liberty to proceed as per Chit Fund Act,1982 to recover the award amount as decreed by Deputy Registrar of Chits, Vizianagaram in A.C.P. No. 88/2015 after 11.06.2020 from the opponents.

6. In exercise of powers conferred under section 70 of the Chit Fund Act, 1982, the Government is hereby partly allowed the appeal of the appellant being common understanding of both the parties and disposed of accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DR.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

1. The Dy. Registrar of Chits, Vizianagaram.
2. M/s Shriram Chits Pvt. Ltd., Vizianagaram through the Dy. Registrar of Chits, Vizianagaram.
3. Sri Gottapu Srinivasa Rao, S/o. Ramu Naidu, D.No.10-127, Plot No. 402, Sri Lakshmi Narayana Residence, Visalakshi Nagar, Visakhapatnam through the Dy. Registrar of Chits, Vizianagaram.
4. Sri Chippala Chandra Shekar Varma, S/o. Veera Raju, R/o. D.No.5-42, Chimalapalli, Vepagunta, Pendurthi, Visakhapatnam through the Dy. Registrar of Chits, Vizianagaram.
5. Sri Pathuru Dhanajaya, S/o. Krishnam Naidu, R/o. Plot No. 9, Parvathamma Enclave, Hasthinapuram, Karmanghat, Hyderabad through the Dy. Registrar of Chits, Vizianagaram.
6. Sri Gottapu Tavitinaidu, S/o. Papi Naidu, Working as S.G.T.Science, A.P.T.W.R.School, U.R.J.C.(Girls) Chakali, Belgum, Parvathipuram, Vizianagaram Dist., through the Dy. Registrar of Chits, Vizianagaram.
7. Sri Bongu Nageswara Rao, S/o. Lakshmana Murthy, Nr. Sai Baba Temple, Naidu Colony, Bobbili, Vizianagaram through the Dy. Registrar of Chits, Vizianagaram.
8. Sri M.Gauthambabu, Advocate, D.No. 31-1-1A, Prajashakthi Nagar, Vijayawada through the Dy. Registrar of Chits, Vizianagaram.
9. The Commissioner & Inspector General, R&S, A.P., Vijayawada.
10. The P.S. to Spl. C.S. to Govt., Revenue (Regn) Dept.

//FORWARDED:BYORDER//

SECTION OFFICER